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AGENDA ITEM 4

TO: MEMBERS OF THE PERFORMANCE AND COMPENSATION COMMITTEE

- I. SUBJECT:** 2008-2009 Performance Plan for Recently Appointed Chief Executive Officer (First Reading)
- II. PROGRAM:** Administration
- III. RECOMMENDATION:** Approve the First Reading of the 2008-2009 Performance Plan for the Recently Appointed Chief Executive Officer

IV. ANALYSIS:

The Board of Administration's Compensation Policies and Procedures include a schedule for approving performance plans and reviewing quarterly status reports. Performance plans for newly-appointed executives are presented on a flow basis, as soon as is practical after each position is filled.

In accordance with the policies and procedures, covered executives serving six months or more in a fiscal year are eligible for a pro-rata award. This item presents, for first reading, the performance plan for the Chief Executive Officer appointed in January. The duty statement is attached for information.

V. STRATEGIC PLAN:

Under Goal V of the Strategic Plan, CalPERS is committed to sustaining a high performance work culture. This can be accomplished at the highest executive levels through the establishment of methods that provide broad flexibility in the recruitment, retention and compensation of key personnel.

VI. RESULTS/COSTS:

The establishment of performance measures is critical to the management of a competitive compensation program for executives at the highest levels of the organization. This, in turn, is critical to the success of the organization. The cost of performance awards that might arise from the recommendations in this item will be funded from existing resources.

CHRIS O'BRIEN, Chief
Human Resources Division

JOHN HIBER
Assistant Executive Officer
Administrative Services

Attachments

**2008-2009 Performance Plan for
Recently Appointed Chief Executive Officer**

Duty statement and 2008-2009 Fiscal Year Performance Plan are presented for first reading in the following pages:

Position

Chief Executive Officer

Current Incumbent

Anne Stausboll